



## POSTAL REGULATORY COMMISSION

[Docket Nos. CP2023-113; CP2023-114; Order No. 6442]

### Competitive Price Changes

**AGENCY:** Postal Regulatory Commission.

**ACTION:** Notice.

**SUMMARY:** The Commission is recognizing a recently filed Postal Service document with the Commission concerning changes in rates and classifications of general applicability for competitive products. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

**DATES:** *Comments are due:* March 17, 2023.

**ADDRESSES:** Submit comments electronically via the Commission's Filing Online system at <http://www.prc.gov>. Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

**FOR FURTHER INFORMATION CONTACT:** David A. Trissell, General Counsel, at 202-789-6820.

### SUPPLEMENTARY INFORMATION:

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#### I. Introduction and Overview

On February 10, 2023, the Postal Service filed notice with the Commission concerning changes in rates and classifications of general

applicability for First-Class Package Service.<sup>1</sup> In support of the First-Class Package Service Notice, the Postal Service filed the Governors' Decision supporting the request, with an annex including proposed changes to the Mail Classification Schedule (MCS) and a Competitive Product Contribution & Cost Coverage Analysis, and a non-public annex showing Fiscal Year (FY) 2023 projected volumes, revenues, attributable costs, contribution, and cost coverage for each product.<sup>2</sup> Proposed price and classification changes are incorporated into the proposed changes to the MCS. See First-Class Package Service Notice at 1-2.

Also on February 10, 2023, the Postal Service filed notice with the Commission concerning changes in rates and classifications of general applicability for Parcel Select.<sup>3</sup> In support of the Parcel Select Notice, the Postal Service filed the Governors' Decision supporting the request, with an annex including proposed changes to the MCS and a Competitive Product Contribution & Cost Coverage Analysis, and a non-public annex showing FY 2023 projected volumes, revenues, attributable costs, contribution, and cost coverage for each product.<sup>4</sup> Proposed price and classification changes are incorporated into the proposed changes to the MCS. See Parcel Select Notice at 2.

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<sup>1</sup> USPS Notice of Changes in Rates and Classifications of General Applicability for First-Class Package Service, February 10, 2023 (First-Class Package Service Notice).

<sup>2</sup> See First-Class Package Service Notice, Decision of the Governors of the United States Postal Service on Changes in Rates and Classifications of General Applicability for Competitive Products (Governors' Decision No. 23-1) (Governors' Decision No. 23-1). The Postal Service also filed public, redacted versions of materials filed under seal and an Application of the United States Postal Service for Non-Public Treatment of Materials. First-Class Package Service Notice at 2.

<sup>3</sup> USPS Notice of Changes in Rates and Classifications of General Applicability for Parcel Select, February 10, 2023 (Parcel Select Notice).

<sup>4</sup> Parcel Select Notice, Decision of the Governors of the United States Postal Service on Changes in Rates and Classifications of General Applicability for Competitive Products (Governors' Decision No. 23-2) (Governors' Decision No. 23-2). The Postal Service also filed public, redacted versions of materials filed under seal and an Application of the United States Postal Service for Non-Public Treatment of Materials. Parcel Select Notice at 2.

## II. Summary of Changes

*First-Class Package Service changes.* The proposed changes to the MCS attached to Governors' Decision No. 23-1 show the Postal Service's planned price changes for First-Class Package Service. Further classification changes for First-Class Package Service are summarized as follows:

- First-Class Package Service would be renamed "USPS Ground Advantage."
- Certificate of Mailing and Certified Mail would be removed from the list of available optional features.
- Dimensional Weight pricing would be made available up to Zone 9.
- The Dimension Noncompliance Fee would become applicable to the product.

First-Class Package Service Notice at 2-5; Governors' Decision No. 23-1 at 1. According to the Postal Service, its proposed changes to First-Class Package Service "flow from" its proposals in Docket Nos. MC2022-81 and MC2022-82 "to expand and enhance the First-Class Package Service product[.]"<sup>5</sup>

The Postal Service states that it "plans to interpret all contractual references" in negotiated service agreements (NSAs) "as USPS Ground Advantage" and "[w]hen necessary" to "execute amendments with customers to clarify any contract interpretation issues." First-Class Package Service Notice at 3-4. According to the Postal Service, "[n]ew contracts utilizing the new USPS

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<sup>5</sup> First-Class Package Service Notice at 1; see Docket Nos. MC2022-81 and MC2022-82, USPS Notice of Effective date, February 10, 2023. The Commission approved the Postal Service's proposals in Docket Nos. MC2022-81 and MC2022-82. See Docket Nos. MC2022-81 and MC2022-82, Order Removing USPS Retail Ground From the Competitive Product List and Approving Competitive Classification Changes to First-Class Package Service and Parcel Select, October 28, 2022 (Order No. 6318).

Ground Advantage name will be executed with new customers over the coming months.” *Id.* at 4.

*Parcel Select changes.* The proposed changes to the MCS attached to Governors’ Decision No. 23-2 show the Postal Service’s planned price changes for Parcel Select. Further classification changes for Parcel Select are summarized as follows:

- A new Destination Hub (DHub) price category would be established.
- The machinable and nonmachinable price tables would be eliminated.
- The place of entry and zone options across the existing Parcel Select Destination Entry and Parcel Select Lightweight price tables would be aligned (including eliminating distinct Non-Destination Entered price categories for Parcel Select Lightweight).

Parcel Select Notice at 2-4; Governors’ Decision No. 23-2 at 1. According to the Postal Service, “[t]hese changes are predominantly structural in nature, to simplify and streamline the Parcel Select product across all price categories.” Parcel Select Notice at 1.

*Planned effective date.* According to the Postal Service, the planned effective date of the changes proposed in the First-Class Package Service Notice and the Parcel Select Notice is July 9, 2023. First-Class Package Service Notice at 1; Parcel Select Notice at 1, 2.

### **III. Initial Administrative Actions**

The Commission establishes Docket No. CP2023-113 to consider matters raised by the First-Class Package Service Notice and Docket No. CP2023-114 to consider matters raised by the Parcel Select Notice. The instant dockets involve similar issues pertaining to simplifying and streamlining product offerings and price changes for those offerings. The Commission previously consolidated

dockets related to simplifying and streamlining the First-Class Package Service and Parcel Select products.<sup>6</sup> Accordingly, the Commission will consolidate Docket No. CP2023-113 and Docket No. CP2023-114. See 39 CFR 3010.104.

The Commission invites comments on the First-Class Package Service Notice and the Parcel Select Notice. Comments are due no later than March 17, 2023. The Postal Service's notices are available on the Commission's website at [www.prc.gov](http://www.prc.gov).

Pursuant to 39 U.S.C. 505, Arif Hafiz is appointed to serve as Public Representative to represent the interests of the general public in this docket.

#### **IV. Ordering Paragraphs**

*It is ordered:*

1. The Commission establishes Docket No. CP2023-113 to consider the matters raised by the First-Class Package Service Notice.

2. The Commission establishes Docket No. CP2023-114 to consider the matters raised by the Parcel Select Notice.

3. The Commission consolidates Docket No. CP2023-113 and Docket No. CP2023-114.

4. Comments are due no later than March 17, 2023.

5. Pursuant to 39 U.S.C. 505, the Commission appoints Arif Hafiz to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this docket.

6. The Secretary shall arrange for publication of this order in the **Federal Register**.

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<sup>6</sup> See Docket Nos. MC2022-81 and MC2022-83, Notice and Order Concerning Removal of USPS Retail Ground from the Competitive Product List and Competitive Classification Changes, July 15, 2022, at 3 (Order No. 6230).

By the Commission.

**Erica A. Barker,**

*Secretary.*

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